

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE  
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CONTACT: RICHARD MILLS  
(202) 395-3230**

**U.S. Trade Representative Zoellick Issues Statement  
on President Bush's Multilateral Steel Initiative**

U.S. Trade Representative Robert B. Zoellick issued the following statement today from Shanghai, where he is attending the Asia Pacific Economic Cooperation (APEC) meeting of Ministers Responsible for Trade:

*"President Bush's initiative demonstrates support for the U.S. steel industry, American steel workers, and communities struggling to adjust to damaging distortions in global steel markets. In the face of such difficult conditions, it is important for the Administration to take a comprehensive approach that will move us forward to truly competitive steel markets. We intend to pursue the President's initiative in full conformity with our WTO obligations and our interest in an open, rules based trading system."*

Under the administration's initiative, USTR Robert B. Zoellick will request the U.S. International Trade Commission to initiate an investigation under Section 201 of the Trade Act of 1974. In cases where increased imports are found to be a substantial cause of serious injury, Section 201 can give U.S. industries a limited time to adjust. This safeguard has enabled the United States to make strong commitments to open its markets in trade negotiations by helping persuade U.S. industry to accept significant cuts in U.S. tariffs and other market opening measures. Section 201 complies with WTO rules.

During the past two decades, the U.S. steel industry has made significant efforts to restructure. The industry has invested over \$50 billion in steel plant modernization, closed dozens of inefficient mills, cut capacity, raised productivity by more than 300 percent, eliminated 330,000 jobs, and invested more

than \$7 billion in environmental controls, cutting polluting emissions by 90 percent.

In addition to the ongoing challenge of restructuring and modernization, U.S. steel producers face market-distorting practices abroad. Foreign industrial development policies have increased steel capacity well in excess of global market demand.

In order to address these problems, the President has directed Ambassador Zoellick, together with the Secretary of Commerce and the Secretary of the Treasury, to initiate negotiations with other steel producing nations to seek the near-term elimination of inefficient excess capacity in the global steel industry. The President also called for the negotiation of long-term solutions to these challenges.

Together, these efforts, will give U.S. steel producers some breathing room and help enhance the long-term competitiveness of the steel industry in the United States and abroad.

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